

Chapter 20

Why Your Ego Will Destroy Your Business Plan: The Sad Truth About Business Model Innovation and Planning

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ABSTRACT

This chapter provides a look at the impact of manager ego in business planning and business innovation through the lens of a cognitive and linguistic scheme. The author examines how value creation is directly at risk due to poor leadership because of a managerial ego-need. The author also outlines the hazard areas causing cognitive dissonance due to an inflated ego, and the link to the statistics of failed business modelling and business innovation. The chapter will furthermore look at disruption technologies in business innovation in the scope of a linguistic scheme, relating to the managers ego need, and the detrimental impact to value creation, especially in a disruptive business environment.

INTRODUCTION

The Trend of Failing Business Models

The trend of failing Business models is not easy to get a grasp on, one would think that innovative companies such as Alphabet, a holding company for a line of innovative and successful businesses, such as Youtube, Chrome, Android, Google among others, would be very strong on business modelling. However, this seems not always to be the case. A good example of a failed business is Google+; the business launched in 2011 and has failed as a social network, and it was shut down in 2019.

On the other hand, a company considered “old-school” such as Fuji Film, has had quite the journey, recognizing in the 80s that producing camera film would not be a viable way of creating value for the

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company in the long run, and began to experiment, eventually creating many successful subsidiary businesses. They realized the unique knowhow and potential within the company could be utilized in other ways, slowly penetrating other markets, and opening new ones.

Today Fuji Film is a thriving company and a marked leader within, digital imaging, medical imaging, cosmetics, regenerative medicine, stem cell research and much more.

In the 80. Another marked leading company, at face value looking a lot like Fuji film, did not fare so well, the name of the company we all know, Kodak.

The company's impact was so great that its "Kodak moment" tagline entered the zeitgeist to describe a personal event that deserved to be recorded for posterity, and even survives to this day.

However, in the 1990s the company began to struggle financially, as the customers began transitioning to more digital formats. This begs the question; did Kodak just sleep through this obvious transition?

The answer is a resounding no!

Kodak was in fact very innovative, and invented the first working digital camera, superseding their rival Fuji film by miles.

Eastman Kodak developed it as early as 1975. The prototype (Lloyd and Sasson, 1977) was made from a movie camera lens, a handful of Motorola camera parts, 16 batteries and some newly invented CCD electronic sensors.

Due to a waning market in primarily camera film and struggling to turn a profit of their digital camera production, the company filed for bankruptcy in 2012.

Arguably doing innovation processes that point to the future is not always a guarantee to success.

It seems there are many sour lemons previously and currently produced by business modeling and planning – That begs the question, does it have to be that way, and can we predict the outcome?

Why Some Companies Fail to Execute Innovation and Some Do Not

A study took place from 2014 to 2016, in an attempt to uncover where managers and project teams failed to execute their business innovation and planning (Christensen, Bartman, and van Bever, 2016). Completed over the course of two decades, studying what causes businesses to fail, followed up by an intensive research project to unravel where managers tend to stumble when executing business model innovation.

26 studies were conducted within Business model innovation projects; these had run the gauntlet from project failure to project successes, the study identified 10 failures and 16 successes. While not statistically significant, some trends identify what is going on, I will get back to that shortly.

Furthermore, the study examined what happened in the "engine room" of the projects, by examining 9 major market leading companies from diverse areas of commerce within: Fashion, publishing, travel, consumer, IT and fin. Tech.

All this, while they were trying to develop an innovative approach, to new value generation for the company.

60 senior executives were also interviewed during business innovation and planning, across all companies.

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